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State Overview

IDAHO'S UNEMPLOYMENT RATE INCREASES TO 5.0 PERCENT

Labor force details for the state, labor market areas, counties, and cities can be found in State Table 1 on page 3.

The seasonally adjusted unemployment rate for July 2001 was 5.0 percent, an increase of two-tenths of a percentage point from June's rate of 4.8 percent. Idaho's July unemployment rate is one-tenth of a percentage point above the 4.9 percent rate experienced one year ago. Idaho's rate for July is higher than the national rate of 4.5 percent, which was unchanged from June.

Idaho's seasonally adjusted *Civilian Labor Force* increased slightly in July from June. The number of unemployed persons increased to 34,500 in July, up 2,000 from June. The increase in the number of unemployed persons was the second largest this year, the largest occurred in April with 2,900. The increase in the number unemployed reflects many of the 3,000 announced layoffs since January. The number of employed persons increased by 2,600 to a record level of 650,200. These changes resulted in a *Civilian Labor Force* of a record 684,700 in July, up 4,600 from June 2001.

The changes from July 2000 show that Idaho's labor force has increased 26,700 persons, or 4.1 percent. From one year ago, the number of persons employed increased 24,200, up 3.9 percent, and the number of persons unemployed increased 2,500, up 7.8 percent. In prior years, the year-over-year change in the number of unemployed workers has been evenly split between increases and decreases. So the increase in the number of unemployed workers was not unusual.

During the last 24 years, the seasonally adjusted unemployment rate has increased 14 times from June to July. The largest increase, five-tenths of a percentage point, occurred in 1985 when the unemployment rate went from 7.9 percent in June to 8.4 percent in July. The unemployment rate has dropped seven times, with the most recent decreases occurring in 1998 and 1999. Three years, the rate remained unchanged. The average increase in the unemployment rate between June and July was two-tenths of a percentage point and the average decrease was also two-tenths of a percentage point.

AREA LABOR FORCE HIGHLIGHTS

Unemployment rates are calculated each month for eight Labor Market Areas (LMAs) in Idaho. The Pocatello City Metropolitan Statistical Area (MSA) unemployment rate had the largest increase of any of the labor market areas (LMA). The July unemployment rate was 5.1 percent, up seven-tenths of a percentage point from June. The increase is primarily due to the recent layoffs at Astaris and American Microsystems, Inc. This increase was followed closely by the Panhandle LMA with six-tenths of a percentage point increase to 8.7 percent in July. The unemployment rates for Bonneville and Magic Valley LMAs each increased three-tenths of a percentage point from June to July at 3.5 percent and 4.2 percent respectively. The nearly 2,200 announced layoffs in the Boise City MSA since January have resulted in an increasing unemployment rate. The unemployment rate has gone from 2.8 percent in January to 4.0 percent in July. The Idaho-Lewis

LMA unemployment rate decreased four-tenths of a percentage point from June to 9.2 percent in July, the largest decrease in the unemployment rate for the labor market areas.

COUNTY LABOR FORCE HIGHLIGHTS

Four counties experienced double-digit unemployment rates in July: Clearwater at 15.0 percent was up 1.0 percentage point from June; Shoshone at 14.1 percent was up 2.2 percentage points from June; Adams at 13.7 percent was up four-tenths of a percentage point from June; and Benewah at 10.1 percent was up six-tenths of a percentage point from June.

Shoshone County experienced the largest increase in the unemployment rate from June. Camas and Butte counties also experienced a significant increase in their unemployment rates, 1.2 and 1.1 percentage points respectively. These two counties have a very small labor force so a small increase in the number unemployed can have a dramatic effect on the rate. For example, Camas County added 1 unemployed person and Butte County added 19.

Unemployment rates at or below 3.0 percent occurred during July 2001 in the following five counties: Madison at 2.2 percent was up four-tenths of a percentage point from June; Teton at 2.2 percent was up three-tenths of a percentage point from June; Blaine at 2.9 was unchanged from June; Oneida at 3.0 percent was down three-tenths of a percentage point from June; and Bonneville at 3.0 percent was up one-tenth of a percentage point from June.

Washington County experienced the largest decrease in the unemployment rate from June as the rate dropped from 8.1 percent to 7.0 percent in July. Although Idaho County has a high unemployment rate at 9.0 percent, the July rate is eight-tenths of a percentage point below June's rate of 9.8 percent making it the second largest decrease. There were three counties where the unemployment rate in July remained unchanged from June—Blaine, Latah, and Elmore.

AGRICULTURE

At 39,080, farm employment in Idaho increased 7.0 percent from June to July. The gain occurred in hired workers, which increased 9.6 percent. Agriculture employment peaks in June and July because of high demand for labor-intensive field workers and irrigators. Employment will not drop in August as usual because of this year's water shortage which resulted in a shorter growing season and an earlier harvest. The demand for agricultural workers will remain stable through the harvest of soft fruit, corn, and potatoes which began in early August. Sugarbeet harvest will begin in late September.

EMPLOYMENT BY INDUSTRY

Nonfarm Payroll Jobs in July decreased 0.3 percent, or 1,500 jobs, to 574,600. Traditionally, the number of nonfarm jobs drops between June and July. *Local Government Education* accounted for the largest decrease from June to July — a loss of 6,000 jobs. Services accounted for the largest increase from June with 1,500 additional jobs. From July 2000, *Nonfarm Payroll Jobs* increased by 9,200 jobs, up 1.6 percent. Services also accounted for the largest growth from last year, up 5,100 jobs or 3.5 percent.

Goods-Producing Industries

Goods-Producing Industries reported 119,900 jobs in July, up from 117,900 in June and 119,300 in July 2000. The *Construction* sector reported a month-over-month growth as well as a year-over-year growth. *Manufacturing* jobs is up from June but down from July 2000.

Mining

The number of *Mining* jobs remained unchanged in July. In February

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IDAHO EMPLOYMENT is funded either partially or entirely by federal grant funds from the U.S. Department of Labor. Ninety-five percent of administrative funding at the Idaho Department of Labor is provided by these federal grants, with the remainder funded by state sources. Fiscal Year 1999 administrative expenditures for the Idaho Department of Labor totaled \$36,657,628.

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and March, *Mining* experienced a drop in the number employed with the closure of the Sunshine mine. Nearly 100 workers were affected by the closure. Any upswings in the number of jobs in this sector were due to a seasonal increase of activity in the *Nonmetallic Mining* sector. The activity in this sector is sand and gravel firms as well as phosphate mines in eastern Idaho. The increase in the *Nonmetallic Mining* sector could not offset the loss of jobs in the *Metal Mining* sector over the last 12 months. It was recently announced that the Lucky Friday mine will also close eliminating over 100 jobs. The boom days of the mining industry in Idaho are gone.

Construction

Construction remained strong in July as 1,100 new jobs were added. The addition of 450 new jobs in *Special Trade Contractors* was primarily in support of the residential and commercial building industry. Most of the work in commercial and residential construction is contracted to specialty construction firms. The foundation, framing, plumbing, painting, etc., is rarely done by one builder. *Building Construction* added 320 new jobs while *Heavy Construction* added 370 jobs for road and other infrastructure construction projects during July.

Basic mortgage rates are slightly above 6 percent, which may increase the demand for new homes. An increase in demand would temper the decline in the number of jobs in the *Construction* industry during the fall and early winter. The total impact of the lower mortgage rates on employment may not be felt until the spring of 2002 when building activity begins to pick up following the normal seasonal decline during fall and winter months.

The June 2001 issue of Wells Fargo's Idaho Construction Report states "Idaho's construction industry recorded a solid performance in June, thus completing the 2001 first half with a more rapid growth rate than earlier anticipated." In June, the total of 758 single-family building permits issued was down from a very strong 888 permits issued in May. The first six months of 2001 reported a 2.8 percent increase over the same period last year, at 4,220 permits. The table on page 4 shows a summary of the building permit construction report for June 2001, June 2000, the first six months of 2001, and the first six months of 2000.

The number of permits for multi-family dwelling units was the only dwelling units group to show an increase from May 2001. However, more permits were issued the first six months of 2001 than the first six months of 2000. Mobile homes were the only category to experience a drop during the first six months of 2001 compared to the first six months of 2000. New residential value was also below the 2000 six-month total.

In June, the total single-family permits in the first six months of 2001 for Ada and Canyon counties was up 2,458, up from 2,323 for the same period in 2000. The Boise MSA accounted for 58 percent of the state total.

State Table 1: July 2001 Labor Force (preliminary)				
Seasonally Adjusted	Labor Force	Unemp.	% Unemp.	Total Emp.
Seaport LMA	35,640	1,370	3.9	34,270
Nez Perce County	23,180	1,030	4.5	22,150
Asotin County, WA	12,460	340	2.7	12,120
Boise City MSA	253,010	10,180	4.0	242,830
Ada County	183,060	6,650	3.6	176,410
Canyon County	69,950	3,530	5.0	66,420
Pocatello City MSA*	40,420	2,050	5.1	38,370
Bonneville LMA	83,890	2,930	3.5	80,960
Bingham County	22,880	970	4.2	21,910
Bonneville County	48,550	1,470	3.0	47,080
Butte County	1,690	80	4.7	1,610
Jefferson County	10,770	410	3.8	10,360
Cassia-Minidoka LMA	18,450	900	4.9	17,550
Cassia County	9,130	390	4.3	8,740
Minidoka County	9,320	510	5.4	8,810
Idaho-Lewis LMA	7,950	730	9.2	7,220
Idaho County	6,320	570	9.0	5,750
Lewis County	1,630	160	9.8	1,470
Panhandle LMA	92,230	8,070	8.7	84,160
Benewah County	4,485	455	10.1	4,030
Bonner County	17,900	1,490	8.3	16,410
Boundary County	4,540	310	6.8	4,230
Kootenai County	58,300	4,830	8.3	53,470
Shoshone County	7,020	990	14.1	6,030
Magic Valley LMA	47,090	1,990	4.2	45,100
Gooding County	6,540	240	3.7	6,300
Jerome County	8,780	330	3.8	8,450
Twin Falls County	31,760	1,420	4.5	30,340
Adams County	1,725	235	13.7	1,490
Bear Lake County	2,660	150	5.6	2,510
Blaine County	12,230	350	2.9	11,880
Boise County	2,190	120	5.6	2,070
Camas County	310	20	6.0	290
Caribou County	3,115	205	6.6	2,910
Clark County	560	20	3.7	540
Clearwater County	3,860	580	15.0	3,280
Custer County	2,180	130	6.1	2,050
Elmore County	9,430	560	6.0	8,870
Franklin County	4,850	210	4.4	4,640
Fremont County	4,570	300	6.6	4,270
Gem County	6,880	620	9.0	6,260
Latah County	14,750	570	3.9	14,180
Lemhi County	3,470	230	6.7	3,240
Lincoln County	1,710	65	3.9	1,645
Madison County	11,680	250	2.2	11,430
Oneida County	1,765	55	3.0	1,710
Owyhee County	4,550	220	4.8	4,330
Payette County	10,090	640	6.3	9,450
Power County	3,380	280	8.2	3,100
Teton County	3,520	80	2.2	3,440
Valley County	4,360	360	8.3	4,000
Washington County	4,570	320	7.0	4,250
State of Idaho	684,640	34,470	5.0	650,170
Idaho Cities				
Boise	115,560	4,200	3.6	111,360
Coeur d'Alene	20,470	1,300	6.4	19,170
Idaho Falls	29,880	960	3.2	28,920
Lewiston	19,650	750	3.8	18,900
Nampa	21,300	1,150	5.4	20,150
Pocatello	28,870	1,450	5.0	27,420
Twin Falls	16,590	790	4.8	15,800

* Pocatello MSA includes all of Bannock County.

State Table 2: Building Permit Construction Summary						
	June 2001	June 2000	Percent Change	Jan - Jun 2001	Jan - Jun 2000	Percent Change
Total New Dwell Units	1,242	1,097	13.2	5,778	4,947	16.8
Single - Family	758	796	-4.8	4,220	4,104	2.8
Multi- Family	429	237	81.0	1,356	585	131.8
Mobile Homes	55	64	-14.1	202	258	-21.7
Total Residential Value	\$119,540,006	\$127,861,600	-6.5	\$617,047,381	\$556,658,324	10.8
Single - Family	100,606,980	113,514,059	-11.4	548,775,313	518,114,349	5.9
Multi- Family	17,932,249	13,627,843	31.6	65,740,080	33,767,503	94.7
Mobile Homes	1,000,777	719,698	39.1	2,531,988	4,776,472	-47.0
New Nonresidential Value	45,082,444	38,141,834	18.2	214,157,637	246,230,066	-13.0
Alterations & Repairs Value	46,705,329	29,368,734	59.0	253,676,151	213,301,615	18.9
Total Construction Value	\$211,327,779	\$195,372,168	8.2	\$1,084,881,169	\$1,016,190,005	6.8

Manufacturing

Manufacturing ranked third in job growth in July with 900 new jobs, bringing employment to 77,700.

Industrial & Commercial Machinery & Computer Equipment and Lumber & Woods Products added 300 jobs each in July. During this spring and early summer, there has been a small increase of activity in several companies manufacturing computers, resulting in 300 new jobs. Because there have been fewer forest fires this year than last, logging activity increased in July, resulting in higher employment and fuller log yards at the sawmills.

Two hundred jobs were added in Food Processing in July, bringing the total to 17,300 jobs. Growth in the Canned, Frozen, & Preserved Fruits, Vegetables, & Food Specialties accounted for all of that growth. The pea harvest in the Lewiston area caused the addition of nearly 200 jobs in July. The number of jobs in Food Processing will continue to increase in August and September when corn, potatoes, sugarbeets, and soft fruits are harvested.

Service-Producing Industries

Service-Producing Industries had 454,700 jobs in July, down 3,500 jobs from June but up 8,600 from July 2000. The growth areas in July included 600 new jobs each in Business Services and Federal Government. Hotels & Other Lodging Places and Amusement & Recreation Services also added 500 new jobs each in July. The number of jobs decreased significantly in State & Local Government Education (6,400 jobs) because of summer school break, while Trade experienced only a small drop (300 jobs).

Transportation, Communications, & Utilities

School bus driver job losses were offset by gains in Motor Freight Transportation & Warehousing. Traditionally, the number of jobs in trucking begins to increase in July because of the expanded agriculture activity, and it continues to increase through October.

Trade

The loss of 200 jobs in the fruit and vegetable packing sheds had a negative impact on Wholesale Trade, causing jobs in the Trade sector to decrease from June to July. The jobs lost in this sector are only temporary until the 2001 potato, onion, and fruit crops are harvested. On the Retail Trade side, each of the following four sectors lost approximately 100 jobs between June and July — Building Materi-

als, Hardware, Garden Supply & Manufactured Homes; General Merchandise Stores; Food Stores; and Furniture & Home Furnishings Stores. The addition of new jobs in the Eating & Drinking Places and the other retail sectors could not offset these losses. Although the number of jobs was down from June, 1,400 jobs have been added in the Trade industry since July 2000.

Services

Services had 151,700 jobs in July. Golf courses, amusement parks, and other recreational facilities added 500 jobs in Amusement & Recreation Services. Hotels & Other Lodging Places added another 500 jobs. Tourist activity remained strong in July. The number of jobs at temporary employment agencies and call centers continued to increase in July, together adding another 500 jobs in the Business Services sector. Tourist activity was strong in July, but most of the new jobs needed to meet that demand were already added.

Government

Jobs in Federal Government increased slightly over the month because of seasonal hiring for potential forest fires and increased activity in the management of range and forest lands. This small growth partially offset the 6,400 jobs lost in State and Local Government Education because of summer school break.

Summary

The loss of 1,500 nonfarm jobs in July was directly related to the loss of 7,100 jobs in Education. Other sectors had limited growth in July, but that growth was not large enough to offset the losses in Education.

The over-the-year employment growth indicates that during the past 12 months, overall employment continues to experience growth. Employment gains since July 2000 have occurred primarily in the Service-Producing Industries with employment losses continuing to occur primarily in the Goods-Producing Industries.

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State Table 3: Nonfarm Payroll Jobs

BY PLACE OF WORK	July 2001*	June 2001	July 2000	% Change From	
				Last Month	Last Year
Nonfarm Payroll Jobs**	574,600	576,100	565,400	-0.3	1.6
GOODS-PRODUCING INDUSTRIES	119,900	117,900	119,300	1.7	0.5
Mining	2,400	2,400	2,600	0.0	-7.7
Metal Mining	900	900	1,300	0.0	-30.8
Construction	39,800	38,700	38,700	2.8	2.8
Manufacturing	77,700	76,800	78,000	1.2	-0.4
Durable Goods	48,400	47,700	48,700	1.5	-0.6
Lumber & Wood Products	11,600	11,300	13,000	2.7	-10.8
Logging	2,500	2,300	2,400	8.7	4.2
Sawmills & Planing Mills	4,300	4,300	4,900	0.0	-12.2
Wood Buildings & Mobile Homes	1,000	1,000	1,300	0.0	-23.1
Other Lumber & Wood Products	3,800	3,700	4,400	2.7	-13.6
Stone, Clay, Glass & Concrete Products	1,500	1,500	1,500	0.0	0.0
Fabricated Metal Products, exc. Machinery & Transportation Equip.	3,100	3,100	3,000	0.0	3.3
Industrial & Commercial Machinery & Computer Equipment	10,100	9,800	10,600	3.1	-4.7
Electronic & Other Electrical Equip. & Components, Exc., Computer	16,000	15,900	14,200	0.6	12.7
Transportation Equipment	2,300	2,300	2,600	0.0	-11.5
Other Durable Goods	3,800	3,800	3,800	0.0	0.0
Nondurable Goods	29,300	29,100	29,300	0.7	0.0
Food Processing	17,300	17,100	17,100	1.2	1.2
Canned, Frozen, & Preserved Fruits, Vegetables & Food Specialties	9,800	9,600	9,800	2.1	0.0
Paper Products	2,200	2,100	2,300	4.8	-4.3
Printing, Publishing & Allied Products	5,400	5,500	5,400	-1.8	0.0
Chemicals & Allied Products	2,300	2,300	2,300	0.0	0.0
Other Nondurable Goods	2,100	2,100	2,200	0.0	-4.5
SERVICE-PRODUCING INDUSTRIES	454,700	458,200	446,100	-0.8	1.9
Transportation, Communications, & Utilities	29,000	28,600	28,000	1.4	3.6
Transportation	17,700	17,500	17,200	1.1	2.9
Railroad	1,400	1,400	1,400	0.0	0.0
Motor Freight Transportation & Warehousing	10,500	10,200	10,300	2.9	1.9
Communications	7,100	7,100	6,700	0.0	6.0
Electric, Gas, & Sanitary Services	4,200	4,000	4,100	5.0	2.4
Trade	145,100	145,400	143,700	-0.2	1.0
Wholesale Trade	33,100	33,300	33,100	-0.6	0.0
Durable Goods	15,700	15,700	15,500	0.0	1.3
Nondurable Goods	17,400	17,600	17,600	-1.1	-1.1
Retail Trade	112,000	112,100	110,600	-0.1	1.3
Building Materials, Hardware, Garden Supply & Manuf. Home Dealers	6,700	6,800	7,100	-1.5	-5.6
General Merchandise Stores	13,700	13,700	12,200	0.0	12.3
Food Stores	19,900	20,000	20,300	-0.5	-2.0
Automotive Dealers & Gasoline Service Stations	12,500	12,500	12,300	0.0	1.6
Eating & Drinking Places	39,800	39,600	39,100	0.5	1.8
Finance, Insurance & Real Estate	23,900	23,800	23,700	0.4	0.8
Banking	7,200	7,200	7,300	0.0	-1.4
Services	151,700	150,200	146,600	1.0	3.5
Hotels & Other Lodging Places	9,400	8,900	9,300	5.6	1.1
Personal Services	4,400	4,400	4,200	0.0	4.8
Business Services	30,800	30,200	30,100	2.0	2.3
Amusement and Recreation Services	8,100	7,600	8,200	6.6	-1.2
Health Services	37,400	37,600	35,900	-0.5	4.2
Hospitals	12,700	12,600	11,700	0.8	8.5
Engineering, Accounting, Research, Management, & Related Services	18,300	18,600	18,000	-1.6	1.7
Government	105,000	110,200	104,100	-4.7	0.9
Federal Government	15,000	14,400	15,500	4.2	-3.2
State & Local Government	90,000	95,800	88,600	-6.1	1.6
State Government	26,500	26,600	26,600	-0.4	-0.4
Education	11,000	11,400	11,400	-3.5	-3.5
Administration	15,500	15,200	15,200	2.0	2.0
Local Government	63,500	69,200	62,000	-8.2	2.4
Education	33,000	39,000	31,900	-15.4	3.4
Administration	30,500	30,200	30,100	1.0	1.3

* Preliminary Estimate

** Estimates include all full or part time wage and salary workers who worked or received pay in the following industry groups during the pay period ending nearest the 12th of the month.

DATA PREPARED IN COOPERATION WITH THE BUREAU OF LABOR STATISTICS

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State Table 4: Economic Indicators

State Table 1: Economic Indicators

	July 2001	June 2001	July 2000	% Change From					
				Last Month	Last Year				
IDAHO LABOR FORCE ⁽¹⁾									
Seasonally Adjusted									
Civilian Labor Force	684,700	680,100	658,000	0.7	4.1				
Unemployment	34,500	32,500	32,000	6.2	7.8				
Percent of Labor Force Unemployed	5.0	4.8	4.9						
Total Employment	650,200	647,600	626,000	0.4	3.9				
Unadjusted									
Civilian Labor Force	695,900	690,000	669,100	0.9	4.0				
Unemployment	31,000	29,500	28,300	5.1	9.5				
Percent of Labor Force Unemployed	4.4	4.3	4.2						
Total Employment	664,900	660,500	640,800	0.7	3.8				
U. S. UNEMPLOYMENT RATE ⁽²⁾	4.5	4.5	4.0						
U.S. CONSUMER PRICE INDEX ⁽²⁾									
Urban Wage Earners & Clerical Workers (CPI-W)	173.8	174.6	169.4	-0.5	2.6				
All Urban Consumer (CPI-U)	177.5	178.0	172.8	-0.3	2.7				
AGRICULTURE									
Agriculture Employment	39,080	36,510	41,590	7.0	-6.0				
Operators	9,010	9,010	9,010	0.0	0.0				
Unpaid Family	610	610	680	0.0	-10.3				
Hired Workers	29,460	26,890	31,900	9.6	-7.6				
UNEMPLOYMENT INSURANCE									
Claims Activities									
Initial Claims ⁽³⁾	8,954	7,192	6,491	24.5	37.9				
Weeks Claimed ⁽⁴⁾	59,847	51,509	42,255	16.2	41.6				
Benefit Payment Activities⁽⁵⁾									
Weeks Compensated	48,784	42,102	29,415	15.9	65.8				
Total Benefit \$ Paid	10,113,275	8,703,956	5,575,265	16.2	81.4				
Average Weekly Benefit Amount	\$207.31	\$206.73	\$189.54	0.3	9.4				
Covered Employers	40,027	40,055	38,706	-0.1	3.4				
Total Benefit \$ Paid During Last 12 Months ⁽⁴⁾	\$128,188,074	\$123,650,064	\$103,362,358	3.7	24.0				
(1) Preliminary Estimate									
(2) Source: U.S. Bureau of Labor Statistics									
(3) Includes all entitlements/programs on Intrastate and Interstate Agent, New, and Additional Claims									
(4) Includes all entitlements/programs, Intrastate and Interstate Agent									
(5) Includes all entitlements/programs, Total Liable Activities									
HOURS AND EARNINGS									
	Average Weekly Earnings*			Average Weekly Hours			Average Hourly Earnings		
	July 2001	June 2001	July 2000	July 2001	June 2001	July 2000	July 2001	June 2001	July 2000
Mining	\$601.29	\$614.90	\$613.37	39.3	38.6	41.5	\$15.30	\$15.93	\$14.78
Construction	\$690.13	\$693.97	\$571.52	39.8	40.3	37.6	\$17.34	\$17.22	\$15.20
Total Manufacturing	\$574.57	\$558.74	\$562.52	39.3	37.6	39.2	\$14.62	\$14.86	\$14.35
Lumber & Wood Products	\$585.83	\$563.19	\$511.98	38.9	37.9	37.1	\$15.06	\$14.86	\$13.80
Food & Kindred Products	\$470.58	\$460.10	\$484.04	46.0	42.8	41.8	\$10.23	\$10.75	\$11.58
Communications	\$782.73	\$747.42	\$789.88	44.6	41.5	43.4	\$17.55	\$18.01	\$18.20
Electric, Gas, & Sanitary Services	\$807.58	\$814.84	\$908.72	39.9	39.1	41.1	\$20.24	\$20.84	\$22.11
Trade	\$345.71	\$328.79	\$317.44	31.4	30.5	30.7	\$11.01	\$10.78	\$10.34
Wholesale Trade	\$539.24	\$510.33	\$500.73	38.6	36.9	36.9	\$13.97	\$13.83	\$13.57
Retail Trade	\$293.53	\$279.65	\$267.09	29.5	28.8	29.0	\$9.95	\$9.71	\$9.21
DATA PREPARED IN COOPERATION WITH THE BUREAU OF LABOR STATISTICS									
* These average earnings are computed on a gross basis and reflect changes in premium pay for overtime and late shift work as well as changes in basic hourly and incentive wage.									



PANHANDLE

BENEWAH, BONNER, BOUNDARY, KOOTENAI, & SHOSHONE COUNTIES

LABOR FORCE & EMPLOYMENT

The Panhandle's seasonally adjusted unemployment rate jumped from 8.1 percent in June to 8.7 percent in July. The U.S. economic slowdown caused further job losses in the Panhandle's manufacturing sector. In addition, low lumber prices forced reductions in logging and lumber mill jobs. The closure of the Sunshine mine and the upcoming mass layoff at the Lucky Friday mine curtailed retail, service, and government jobs in Shoshone County. Job cuts by Spokane manufacturers and call centers also contributed to Panhandle unemployment, since many Panhandle residents work in Spokane. See Panhandle Table 1 for details.

SPECIAL TOPICS

Crown Pacific Mills

Crown Pacific Partners recently announced that it will close its Coeur d'Alene mill in late October and that Louisiana-Pacific purchased its Bonners Ferry mill. Portland-based Crown purchased four Panhandle mills from DAW Forest Products in 1994. It closed the Oldtown mill in 1996 and the Colburn mill in 1999. Until lumber prices fell precipitately in the spring of 2000, 160 people worked at the Crown Pacific sawmill on Huetter Road in Coeur d'Alene. About 90 people still work at the sawmill. Coeur d'Alene Job Service will provide job search, relocation, and job training services to the sawmill workers dislocated by the closure.

Crown Pacific built a \$17 million state-of-the-art sawmill at the Bonners Ferry site two years ago. The sawmill, which produces dimension lumber, employs about 100 people. Louisiana-Pacific's two existing mills in the Panhandle—the Chilco mill near Athol and the Moyie Springs mill—make studs for framing. Crown Pacific has pledged to provide Louisiana-Pacific

Panhandle Table 1: Labor Force & Employment

	July 2001*	June 2001	July 2000	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	92,230	91,170	88,150	1.2	4.6
Unemployed	8,070	7,390	7,070	9.2	14.1
% of Labor Force Unemployed	8.7%	8.1%	8.0%		
Total Employment	84,160	83,780	81,080	0.5	3.8
Unadjusted					
Civilian Labor Force	93,570	92,330	89,550	1.3	4.5
Unemployed	6,370	6,150	5,470	3.6	16.5
% of Labor Force Unemployed	6.8%	6.7%	6.1%		
Total Employment	87,200	86,180	84,080	1.2	3.7
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	69,490	69,500	68,780	0.0	1.0
Goods-Producing Industries	15,070	14,800	15,470	1.8	-2.6
Mining	790	800	1,030	-1.3	-23.3
Construction	5,500	5,370	5,320	2.4	3.4
Manufacturing	8,780	8,630	9,120	1.7	-3.7
Lumber & Wood Products	4,240	4,040	4,520	5.0	-6.2
All Other Manufacturing	4,540	4,590	4,600	-1.1	-1.3
Service-Producing Industries	54,420	54,700	53,310	-0.5	2.1
Transportation	1,720	1,570	1,790	9.6	-3.9
Communication & Utilities	1,070	1,080	1,050	-0.9	1.9
Wholesale Trade	2,340	2,340	2,290	0.0	2.2
Retail Trade	15,880	15,540	15,720	2.2	1.0
Finance, Insurance & Real Estate	2,550	2,560	2,440	-0.4	4.5
Service & Miscellaneous	18,340	18,000	17,810	1.9	3.0
Government Administration	8,340	8,410	8,040	-0.8	3.7
Government Education	4,180	5,200	4,170	-19.6	0.2

* Preliminary estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

with a 10-year supply of logs from its 250,000 acres of timberland in Idaho.

AREA DEVELOPMENTS

Benewah County

- Governor Kempthorne's Rural Idaho Initiative recently granted \$500,000 to the Coeur d'Alene Tribe and Seeds, Inc. for expansion of their Pacific Northwest Fiberboard (PNF) plant in Plummer. The grant will be used to build a 25,000-square-foot facility to store straw bales. PNF turns straw—primarily Kentucky bluegrass stubble—into boards, similar to oriented-strand boards. PNF can only use dry bales. Currently, PNF throws away many bales because they cannot be protected from rain and snow. The new storage facility will reduce PNF's production costs. In addition, the grant will be used for improvements of machinery and buildings. Construction will begin this fall. After construction is completed, the strawboard plant will employ 56 people. Currently, it employs half that number.

- Two-year-old Pacific Northwest Fiber was the first tenant in the Coeur d'Alene Tribe's industrial park on the former Rayonier mill site in Plummer. The newest tenant is the state-of-the-art Plummer Forest Products mill which makes small-dimension lumber. Plummer Forest Products, which opened in July, employs about 50 people.

Bonner County

- An ice house dating from the 1800s was transformed into a New York-style pizzeria this summer. The Old Ice House Pizza Deli is located next to the Hope City Hall.
- Pierce Christie recently opened Main Street Music and Games at 111 Main Street in Sandpoint. The store sells a wide variety of music recordings, video games, stereo systems, and musical instruments.

Kootenai County

- Factory 2-U, a discount chain, will open a store in October in part of the former Montgomery Ward slot at the Coeur d'Alene Town Center at 101 Best Avenue. The 15,000-square-foot store will sell discount clothing and household goods, and will employ about 20 people.
- At last, Coeur d'Alene residents know what will become of the former Rosauers grocery site at the intersection of Highway 95 & Appleway in Coeur d'Alene. Since Rosauers closed in August 2000, much speculation has focused on what would happen to the site located at North Idaho's busiest intersection. Carpet Center and another tenant will open retail stores in the former Rosauers building, while Walgreen Pharmacy and a Del Taco fast-food restaurant will construct new buildings on pads in the front parking lot. Carpet Center will occupy 45,000-square feet of the 60,000-square-foot Rosauers building. Petco pet supply store will most likely be the second tenant. Remodeling of the Rosauers building will begin early in 2002, as will construction of the 15,000-square-foot Walgreen and the 3,400-square-foot Del Taco Mexican Restaurant. After Carpet Center moves into its new building next spring, it will close its current, much smaller store, at the intersection of U.S. 95 & Dalton Avenue.
- Riverstone, the 73-acre commercial and residential development just off Northwest Boulevard in Coeur d'Alene, has lined up three tenants for its first commercial building. When it is completed at the end of the year, the three-story, 28,000-square-foot office building will house Rivermill Investments, BioGenetic Ventures, and Oxyfresh Worldwide. Rivermill Investments is the marketing arm for the Riverstone development.
- BioGenetic Ventures plans to move from Spokane to Riverstone as soon as the office building is ready for occupancy. Founded two years ago by Peter Allison, the biotech firm employs about 20 people. Oxyfresh Worldwide, a multi-level marketing company, also will relocate its corporate headquarters from Spokane to

Riverstone. The 17-year-old company sells vitamins, toothpaste, shampoo, and personal care items. Its corporate headquarters employs about 50 people. Oxyfresh also will be moving its distribution center from Minneapolis to Coeur d'Alene later this year. The 15,000-square-foot distribution center will employ 20 people.

- Idaho Independent Bank plans to move its Coeur d'Alene branch from 912 Northwest Boulevard to a larger structure it will build at Riverstone. It expects to break ground for the new building in early spring.
- Coeur d'Alene recently welcomed the following new businesses: LouLou's Sport Shop, selling equipment for water sports, bicycling, skiing, and snowboarding at 215 W. Kathleen Avenue; Sheres, selling contemporary and antique furniture and offering interior design services, at 317 Sherman Avenue; Becky's Pendleton, selling Pendleton wool blankets and clothing, at 421 Sherman Avenue; and Adventure City Paintball which occupies a five-acre lot on Lancaster Road in Hayden.
- Executive Search International recently moved its corporate headquarters from the Seattle area to 1713 Sherman Avenue in Coeur d'Alene. Six people work at the headquarters. ESI recruits executives for telecommuting and information-technology industries.
- Edgewood Log Structures will move its headquarters from Clarkston to the Athol area by next spring. The 18-year-old business builds 20 to 30 high-end log homes a year. Initially the business will employ 15 people. It is located along Highway 95 near Silverwood Theme Park.

Shoshone County

- Economic development grants from Governor Kempthorne's Rural Idaho Initiative include \$115,000 for a second phase for Shoshone County's business park under development at Smelterville. This will allow the park's first tenant, the Tele-Servicing Innovations (TSI) call center, to double its work force to 90. The TSI call center moved into the park September 1, leaving the temporary quarters in Coeur d'Alene where it had waited for the opening of the business park's first building. Approximately 40 Silver Valley residents have been taking a bus provided by TSI to work for the last nine months.
- Jon Cantamessa recently opened the Wallace Athletic Club at 516 Cedar Street in Wallace. In addition to cardiovascular equipment and free weights, the fitness center offers a trainer, hot tub, sauna, and tanning bed.

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SEAPORT

NORTH CENTRAL IDAHO: CLEARWATER, IDAHO, LATAH, LEWIS, & NEZ PERCE COUNTIES

LABOR FORCE & EMPLOYMENT

As shown in Seaport Table 1, the Seaport seasonally adjusted unemployment rate decreased in July to 3.9 percent from June's rate of 4.1 percent. In July 2000, the rate was 4.1 percent.

In July, the Seaport's *Nonfarm Payroll Jobs* decreased by 380 jobs because of temporary layoffs in *Manufacturing* and *Education*. Temporary layoffs in *Manufacturing* occurred because of slow markets. Layoffs were temporary with most laid off workers being idle for only a couple of weeks. *Manufacturing* employment is expected to bounce back in August. In addition to *Manufacturing*, *Education* also experienced temporary layoffs in July. *Education* layoffs were expected and followed seasonal trends because of summer vacation. Teachers will return to classrooms in August and September. On the plus side, two industries, *Food and Kindred Products* and *Construction*, created new jobs in July. Employment in *Food and Kindred Products* increased for the pea harvest and *Construction* increased because of new industrial developments. One of the new developments in industrial construction is the Bedrock Plaza project. The new plaza will be home to Home Depot. Other stores considering the new plaza include: Safeway, Applebee's, Barnes & Noble, Best Buy, Famous Footwear, Fashion Bug, Eddie Bauer, Gart Sports, Great Clips, Hallmark, Linens 'N Things, Michael's, Old Navy, Petco, Pier 1 Imports, Postal Annex, Quizno's Subs, Radio Shack, Rite Aid Pharmacies, Ross Dress For Less, TJ Maxx, and Washington Mutual.

SPECIAL TOPIC:

Craig-Wyden bill stabilizes some North Central Idaho counties

With few logs leaving federal land these days Idaho, Clearwater, and Lewis counties have experienced a double hit to tax revenues. First came a number of mill closures. On top of that, there has

Seaport Table 1: Labor Force & Employment
Nez Perce County, Idaho, and Asotin County, Washington

	July 2001*	June 2001	July 2000	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	35,640	34,650	34,300	2.9	3.9
Unemployment	1,370	1,420	1,400	-3.5	-2.1
% of Labor Force Unemployed	3.9	4.1	4.1		
Total Employment	34,270	33,230	32,900	3.1	4.2
Unadjusted					
Civilian Labor Force	35,530	34,620	34,190	2.6	3.9
Unemployment	1,240	1,360	1,290	-8.8	-3.9
% of Labor Force Unemployed	3.5	3.9	3.8		
Total Employment	34,290	33,260	32,900	3.1	4.2
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	25,290	25,670	25,500	-1.5	-0.8
Goods-Producing Industries	5,100	5,180	5,590	-1.5	-8.8
Mining & Construction	1,430	1,300	1,350	10.0	5.9
Manufacturing	3,670	3,880	4,240	-5.4	-13.4
Food Processing	250	170	250	47.1	0.0
Lumber & Wood Products	730	720	740	1.4	-1.4
Paper Products	1,690	1,690	1,890	0.0	-10.6
All Other Manufacturing	1,000	1,300	1,360	-23.1	-26.5
Service-Producing Industries	20,190	20,490	19,910	-1.5	1.4
Transportation	1,380	1,340	1,360	3.0	1.5
Communications & Utilities	280	280	290	0.0	-3.4
Wholesale Trade	940	940	1,010	0.0	-6.9
Retail Trade	5,170	5,230	5,180	-1.1	-0.2
Finance, Insurance, & Real Estate	1,380	1,350	1,410	2.2	-2.1
Services	7,150	7,070	6,840	1.1	4.5
Government Administration	1,980	1,990	1,840	-0.5	7.6
Government Education	1,910	2,290	1,980	-16.6	-3.5
*Preliminary Estimate					
**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month					

been a steady decline in tax revenue received from the sale of federal timber located within county borders. A new law enacted in 2000 is expected to bring some relief, however. Since the early 1900s, counties have been entitled to 25 percent of the money received from federal timber sales, which was used for schools, roads, and bridges. But federal timber sales have dropped from approximately 800 million board feet in 1989 to less than 200 million board feet in 2000. The corresponding revenue counties receive from those sales dropped by 75 percent. Idaho County in particular has seen its income from timber sales drop from more than \$6 million to \$1.4 million in 1999. This loss of funding resulted in drastic cutbacks in school and road budgets. But the Craig-Wyden bill, advanced in 2000 by senators Larry Craig, R-Idaho and Ron Wyden, D-Oregon, is designed to make up for some of the lost revenue that resulted from the decline in federal timber sales. The bill stabilizes timber sales payments by averaging the three highest payments from 1986 to 2000. That average determines what payment the counties receive for the next six years. As an ex-

ample, even though Idaho County received only \$1.4 million last year, it will receive \$4.8 million this year as a result of the averaging.

AREA DEVELOPMENTS

Clearwater County

- LightForce, a new business to Clearwater County, opened its doors in the spring of 2001 at 127 Wisconsin Street in Orofino. The business specializes in riflescopes for police/military and lighting fixtures for four-wheel drive vehicles. Currently, the company has six employees and plans to expand in the future.

Idaho County

- In response to the extensive wildfires throughout the west last summer, the National Marine Fisheries Service has hired a team of biologists to work with the U.S. Forest Service and the Bureau of Land Management to implement the National Fire Plan. Dale Brege, a former Nez Perce National Forest employee who lived at the Slate Creek Ranger station for seven years, heads a new Grangeville field station, located at 102 North College. The office was expected to be fully operational by mid-August and should have four fire plan biologists. Brege also will hire permanent staff to work on non-fire plan habitat issues in North Central Idaho. The geographic area of responsibility extends from Lewiston to the Montana state line, and south to Riggins.
- A new business, Leap of Faith, has opened in Elk City. The new business offers a variety of soaps, lip balms, lotions, and bath salts in single sizes as well as gift baskets. Products are hand made in Elk City and are being marketed on the Internet. Some soap and lotion fragrances include: bay rum, cucumber, melon, mint, lavender lace, oatmeal, milk and honey, pear berries. Lewis and Clark special scents include cinnamon and cloves, sweet grass, and pipe tobacco.

Latah County

- Moscow's newest art gallery is in an unexpected place—the University of Idaho's North Central Business Technology Incubator. Thirty or more works of art by Moscow artists can be viewed in the incubator with new works rotated in every month. Staff at the incubator came up with the idea as a way of drawing people into the facility to see what the incubator has to offer. The incubator, managed by the Latah Economic Development Council, currently provides office and laboratory space as well as receptionist, and telephone answering services for 13 tenants.

Lewis County

- When Patrick and Cathleen Jacobs decided to open a new auto parts business in Kamiah, they weren't intimidated by the area's recent economic hardships. The Jacobs felt their timing was good because there aren't many competitors and, because of the economic slow down, people are choosing to keep their cars longer -- fixing them rather than buying new ones. The new store, Jacobs Auto Parts, is located at the old Cloningers store at 311 Main Street in Kamiah. It offers a full line of quality auto parts and accessories.

Nez Perce County

- Despite the slumping national economy, worker layoffs, and low corporate profits, the Lewiston-Clarkston Valley's welded jet boat manufacturers are riding along in mostly smooth water. All four of the major jet boat companies in the valley say they are unharmed by the economy or have recovered from earlier lulls. Although total employment has not increased in the first half of 2001, it is expected to increase in the last half of 2001 and into 2002. Product diversification and excellent fish runs have helped manufacturers predict a rosy future. Jet boats, which were designed originally for river running, now are used in oceans and lakes, and for camping, fishing, and water skiing.
- Big 5, a sporting goods chain, will open a store near Staples at 2310 Thain Road in Lewiston by the end of November in time for the holiday sales season. The company is the leading sporting goods retailer in the West and sells equipment and attire for tennis, golf, snowboarding, inline skating, and other sports. The new Lewiston store will employ 13 to 18 people, including three in management.

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TREASURE VALLEY

ADA, ADAMS, BOISE, CANYON, ELMORE, GEM, OWYHEE, PAYETTE, VALLEY, & WASHINGTON COUNTIES

LABOR FORCE & EMPLOYMENT

The seasonally adjusted unemployment rate for the Boise City Metropolitan Statistical Area (MSA), which includes Ada and Canyon Counties, was 4.0 percent for July 2001, as shown in Treasure Valley Table 1. This rate was up one-tenth of a percentage point from June 2001, and up four-tenths of a percentage point from July 2000. Despite the increased number of layoffs throughout the Treasure Valley, the unemployment rate of 4.0 percent is well below the 5.0 percent that economists usually refer to as "full employment." The economy, though slower in some industries, is still doing fairly well overall. The number of individuals employed increased from 240,900 in June to 242,800 in July. An increase also occurred in the number of unem-

Treasure Valley Table 2: July 2001 Seasonally Adjusted Labor Force Figures for Southwest Idaho Counties				
	Civilian Labor Force	Number Unem- ployed	Percent Unem- ployed	Number Employed
Ada	183,061	6,647	3.6	176,44
Adams	1,726	236	13.7	1,490
Boise	2,190	122	5.6	2,068
Canyon	69,951	3,533	5.0	66,419
Elmore	9,432	561	6.0	8,871
Gem	6,879	620	9.0	6,259
Owyhee	4,548	217	4.8	4,331
Payette	10,086	640	6.3	9,446
Valley	4,364	364	8.3	4,000
Washington	4,567	318	7.0	4,249
Statewide	684,641	34,470	5.0	50,171

played individuals, from 9,800 in June to 10,200 in July. The net increase in the *Civilian Labor Force* was 2,300 from June to July 2001, and an increase of 14,500 individuals year-over-year. Treasure Valley Table 2 shows the July 2001 labor force figures for all counties in Southwest Idaho.

The number of *Nonfarm Payroll Jobs* increased by 900 between June and July 2001, and grew by 7,800 jobs since July 2000. *Goods-Producing Industries*

Treasure Valley Table 1: Boise MSA Labor Force & Employment
Ada and Canyon counties

	July 2001*	June 2001	July 2000	% Change Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	253,000	250,700	238,500	0.9	6.1
Unemployment	10,200	9,800	8,200	4.1	24.4
% of Labor Force Unemployed	4.0	3.9	3.4		
Total Employment	242,800	240,900	230,300	0.8	5.4
Unadjusted					
Civilian Labor Force	256,300	253,000	241,800	1.3	6.0
Unemployment	10,000	9,500	8,000	5.3	25.0
% of Labor Force Unemployed	3.9	3.8	3.3		
Total Employment	246,300	243,500	233,800	1.1	5.3
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	233,100	234,000	225,300	-0.4	3.5
GOODS-PRODUCING INDUSTRIES	55,200	54,900	54,200	0.5	1.8
Mining & Construction	18,100	17,800	16,600	1.7	9.0
Manufacturing	37,100	37,100	37,600	0.0	-1.3
Durable Goods	28,700	28,600	29,000	0.3	-1.0
Lumber & Wood Products	3,200	3,200	3,400	0.0	-5.9
Wood Buildings & Mobile Homes	800	800	1,000	0.0	-20.0
Other Lumber & Wood Products	2,400	2,400	2,400	0.0	0.0
Fabricated Metal Products	1,200	1,200	1,300	0.0	-7.7
Ind. & Comm. Mach. & Computer Equip.	7,100	7,100	8,200	0.0	-13.4
Electronic & Other Elect. Equip. & Comp.	13,400	13,400	12,100	0.0	10.7
Transportation Equipment	1,900	1,900	2,000	0.0	-5.0
Other Durable Goods	1,900	1,800	2,000	5.6	-5.0
Nondurable Goods	8,400	8,500	8,600	-1.2	-2.3
Food Products	5,600	5,700	5,800	-1.8	-3.4
Canned Cured & Frozen Foods	1,800	1,800	1,900	0.0	-5.3
Printing, Pub & Allied Products	1,900	2,000	2,000	-5.0	-5.0
Other Nondurable Goods	900	800	800	12.5	12.5
SERVICE-PRODUCING INDUSTRIES	177,900	179,100	171,100	-0.7	4.0
Trans, Comm, & Public Util	12,100	12,200	11,900	-0.8	1.7
Transportation	6,700	6,800	6,400	-1.5	4.7
Comm & Elec, Gas & Sanitary Services	5,400	5,400	5,500	0.0	-1.8
Trade	58,300	58,600	56,200	-0.5	3.7
Wholesale Trade	13,800	13,900	13,700	-0.7	0.7
Durable Goods	8,300	8,400	8,200	-1.2	1.2
Nondurable Goods	5,500	5,500	5,500	0.0	0.0
Retail Trade	44,500	44,700	42,500	-0.4	4.7
General Merchandise Stores	6,200	6,300	4,800	-1.6	29.2
Foods Stores	7,600	7,600	8,000	0.0	-5.0
Eating & Drinking Places	15,700	15,700	15,200	0.0	3.3
Other Retail Trade	15,000	15,100	14,500	-0.7	3.4
Finance, Insurance, & Real Estate	11,200	11,200	11,100	0.0	0.9
Services	62,400	62,300	59,800	0.2	4.3
Business Services	15,200	14,900	15,600	2.0	-2.6
Health Services	18,400	18,300	16,700	0.5	10.2
Hospitals	8,800	8,700	7,600	1.1	15.8
Eng., Acct., Res., Mngmt., & Related	4,900	4,800	4,600	2.1	6.5
Other Services	23,900	24,300	22,900	-1.6	4.4
Government	33,900	34,800	32,100	-2.6	5.6
Federal Government	5,400	5,300	5,400	1.9	0.0
State Government	12,300	12,300	11,600	0.0	6.0
Education	3,600	3,700	3,300	-2.7	9.1
Administration	8,700	8,600	8,300	1.2	4.8
Local Government	16,200	17,200	15,100	-5.8	7.3
Education	10,000	11,200	9,300	-10.7	7.5
Administration	6,200	6,000	5,800	3.3	6.9

* Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

gained 300 jobs month-over-month. Job gains were primarily located in *Construction & Mining* (300), *Other Durable Goods Manufacturing* (100), and *Other Nondurable Goods Manufacturing* (100). Year-over-year, *Goods-Producing Industries* gained 1,000 jobs with *Construction & Mining* (1,500) and *Industrial & Commercial Machinery & Computer Equipment Manufacturing* (1,100) the only industries to show employment gains year-over-year. *Other Lumber & Wood Products Manufacturing* showed no change over the year with every other industry showing a decrease in total employment. The most notable loss was in *Industrial & Commercial Machinery & Computer Equipment Manufacturing*, where 1,100 jobs were lost year-over-year. The recent economic slowdown in the high-tech industry contributed to the loss of jobs in that industry.

Service-Producing Industries lost 1,200 jobs between June 2001 and July 2001. Job losses in *Transportation* (100), *Durable Goods Trade* (100), *General Merchandise Stores* (100), *Other Retail Trade* (800), *Other Services* (400), *State Government Education* (100), and *Local Government Education* (1,200) outpaced job gains in *Business Services* (300), *Health Services* (100) primarily *Hospitals* (100), *Engineering, Accounting, Research, Management, & Related* (100), *Federal Government* (100), *State Government Administration* (100), and *Local Government Administration* (200) to create a net decrease in employment. The primary loss was in *Local Government Education*, with most school districts breaking for the summer. Year-over-year, there was an increase of 6,800 jobs in *Service-Producing Industries*, with *Communication & Electricity, Gas & Sanitary Services, Food Stores, and Business Services* the only industries to experience a job loss. The most notable job gains over the year occurred in *General Merchandise Stores* (1,400), *Health Services* (1,700) primarily *Hospitals* (1,200), and *Other Services* (1,000).

SPECIAL TOPICS

Fall Semester Starts at Treasure Valley Schools

Fall marks the beginning of school for colleges and universities in the Treasure Valley. Many changes have occurred at these schools, and the following is an overview of some of the changes at these institutions.

- Boise State University (BSU) plans to open a new \$12 million recreation center by January 2002. BSU also will aggressively start to develop research at the school. A new EMT-paramedic program is beginning this year to meet demand for these occupations in Idaho. A new call center training program also is beginning this year.
- Northwest Nazarene University (NNU) was reclassified as a University by the Carnegie Classification of Institutions of Higher Education. The change reflects the increasingly comprehensive nature of NNU's programs including graduate programs, continuing education, and community outreach. With the addition of these new programs, NNU expects a gradual increase in enrollment at the Nampa campus. Increased growth in the Business and Economics Department has prompted the construction of the new 26,000-square-foot Helstrom Business Center which should be completed in December for a 2002 opening.
- Albertson College of Idaho (ACI) has been reclassified as a national liberal arts institution by the Carnegie Classification of Institutions of Higher Education. ACI has been honored by U.S. News & World Report for four years as the No. 1 liberal arts college in the West. ACI also is continuing its expansion program that was announced in the last few years. Four new dormitories are under construction on land acquired by the campus last year. Enrollment continues to increase at the school.

High-Tech Industry Update

- The Treasure Valley's high-tech industry continues to lay off workers. At least 2,000 workers have been laid off in the industry since January 2001. Despite recent announcements of layoffs, Micron Technology announced plans to open a 90,000-square-foot manufacturing plant near its Boise facility in 2002 as part of joint venture agreement with DuPont Photomasks, Inc. The facility will manufacture photomasks, which are reusable template discs that contain electronic patterns.
- In mid-August, Micronpc.com continued to reduce its workforce in an effort to become a leaner, more efficient company. The company continues its restructuring efforts after being taken over by Gores Technology in June. Gores is a private investment firm based in Los Angeles.
- PixTech, a local small display panel manufacturer, announced in August plans to close its Boise operations. The company employs 68 people at the 73,000 square-foot plant located near Broadway Avenue and Federal Way. The building will be vacant by the end of September at which time all employees will be laid off.
- Hewlett-Packard cut 6,000 jobs from its payroll in mid-August following the announcement of job cuts in July. About 245 of those job cuts will occur in Treasure Valley, although the exact number of jobs lost at the Boise location is unknown. The layoffs throughout the company occurred at all levels. The decrease in sales of the company's computer and printer products, and lowered expectations in the industry, were cited as reasons for the layoffs.
- Shareholders of Micron Electronics and its web-hosting partner, Interland, approved a merger be-

tween the two companies in early August. The approval leads to Micron Electronics' name change to Interland, and moves its headquarters from Nampa to Atlanta, Georgia. The new company will focus solely on web-hosting and related Internet services, and will cut all ties to the PC operations in Nampa.

Rural Fire Departments Receive Additional Funds

The Bureau of Land Management (BLM) announced an additional \$250,000 in funds for rural fire departments throughout Southwest Idaho. The rural assistance grant program is part of the National Fire Plan that was developed after the 2000 fire season. The money will be used for training, equipment, and prevention programs in those rural areas.

AREA DEVELOPMENTS

Boise City MSA

- Boise State University, the Boise Metro Economic Development Council (BMEDC), and a consortium of call center managers throughout the Treasure Valley have announced a joint venture in creating a course at BSU to train call center workers. This group hopes that the course may reduce the amount of turnover in the call center industry, which is estimated to be at least 25 percent. The four-week session will introduce students to call center basics that will include tours of various call centers, guest speakers, and simulations. Cost for the basic class is \$99. More advanced classes also may be made available. Nearly 8,000 people in the Treasure Valley work in a call center environment.
- The Ida-Ore Planning and Development Association of Boise was awarded a \$25,000 grant from the U.S. Department of Commerce's Economic Development Administration in early August. The grant will help fund an economic adjustment strategy for developing training programs designed to diversify the workforce in Elmore and Owyhee counties.
- In late August, Albertson's cut many white-collar jobs at the Boise headquarters and throughout the nation. The job cuts are part of reorganization plans that were announced by the company in July. The company will not release specific layoff numbers but only said that 15 to 20 percent of the workforce was laid off. The layoffs were made after Albertson's employees were offered voluntary severance packages.
- The Platt Gardens reopened at the Boise Depot after completion of an \$80,000 renovation project which began in March. The renovation project included replacement of the park's irrigation system, new landscaping, signs, railings, and improved lighting. Platt Gardens features a winding walk, benches, ponds, a monument of volcanic rock, plants, and blooming flowers.

- The Community Planning Association of Southwest Idaho (COMPASS) recently moved from downtown Boise to its new office in Meridian at 800 South Industry Way, Suite 100. COMPASS officials said the move was made to provide a more central location for the regional planning organization which serves Ada and Canyon Counties.
- Harvest Classic started production of all-natural bread at its new bakery in Nampa in late August. The plant was moved to Nampa from Boise in order to expand operations. The new bakery is located on Park Center Way, off Midland Boulevard. The company plans to open a retail store and deli at the location in late November.
- Work will begin this month on the Nampa Municipal Airport expansion project. The project will include an extension of the property to the east that will double hangar capacity and make room for aviation-related businesses, including repair shops, chartering services, and flight training.
- In late July, the Idaho State School and Hospital started a \$9 million construction project that will replace many of the buildings on the property. Three 17,900-square-foot buildings will be built, each accommodating 20 beds, along with two smaller multi-purpose buildings that will be used primarily for physical therapy. Security in the buildings also will be upgraded. The entire project should be completed by October 2002.
- Terry Reilly Health Services was awarded three grants totaling \$260,000 from the U.S. Secretary of Health and Human Services in mid-August. The grants were part of a \$28.4 million grant for 220 health centers across the nation. The grant monies will be used to help recruit and retain dentists, and to provide services to meet the medical and mental health needs of homeless people in the Nampa-Caldwell area. Funds also will be used to help improve mental health services to farm workers, mainly in the Caldwell, Wilder, and Marsing areas, and provide migrant workers better access to counselors.
- Ross Dress For Less recently opened in the Karcher Mall in Nampa. The 32,035-square-foot store on the west end of the mall will employ between 35 and 40 full and part-time workers. Mrs. Fields Cookies and U.S. Factory Outlets also have announced plans to open stores in Karcher Mall. Pic 'n' Save, located in a building next to Karcher Mall, changed its name to Big Lots and held a grand reopening in late August.

Adams County

- Out of the Box and Office Express recently opened in New Meadows. The establishment is located at

410 Virginia Street and offers unique gifts, stationary, scrap-booking crafts and supplies, and also offers selected business services. The business is open Tuesdays through Fridays, 9 a.m. to 5 p.m., and Saturdays from 11 a.m. to 4 p.m.

Boise County

- Morris D. Huffman, former U.S. Forest Service District Ranger, has been hired by Boise and Gem counties to work on business retention, expansion, and diversification projects. The Rural Economic Development Professionals Program, associated with the Idaho Department of Commerce, provides funding for the position.

Elmore County

- In late July, Curves for Women held a ribbon cutting ceremony at its new location at 2390 American Legion Boulevard in Mountain Home. The Mountain Home franchise has more than 450 members. The workout center is open from 5 a.m. to 8 p.m., Mondays through Fridays, and Saturdays from 8 a.m. to 12 noon.
- In mid-August a judicial confirmation was granted that will allow Elmore County and the city of Mountain Home to enter into a lease/purchase agreement for a joint law enforcement center and jail. Details for the design and construction of the facility have not been decided.

Gem County

- Employees who were laid off this summer at the Emmett and Cascade mills will receive federal assistance resulting from the approval of a petition filed by the Boise Cascade Corporation. The Division of Trade Adjustment Assistance (TAA), through the U.S. Department of Labor, approved the petition. The federal law aids workers who lose their jobs as a result of foreign competition. The former Boise Cascade mill workers were granted the assistance because it was concluded that foreign imports that competed with lumber and plywood produced at the two mills contributed to the decline in sales or production and the loss of jobs at the two mills. This means that the 375 workers who were laid off at the two mills could be eligible for additional training allowances, relocation assistance, and re-employment services.
- Two new businesses opened recently in Gem County — Edward Jones Investments and Six Rivers Counseling. Edward Jones Investments held a ribbon-cutting ceremony in late July as the newest branch opened on South Washington Avenue in Emmett. Six Rivers Counseling offers a variety of counseling services including individual, family,

and group services. The center is located at 125 South Washington in Emmett.

Payette County

- Payless Gas in Payette recently changed ownership. Tim and Debbie Belisle of Weiser began operating the station in May. The new owners renovated and remodeled the convenience store including adding Buff & Stuff, a vehicle detail service that moved from Weiser. Payless Gas is located at 550 South Main in Payette.

Valley County

- Manchester at Payette Lake (formerly Shore Lodge) and Manchester at Payette Lake golf Course (formerly Whitetail Golf Course) may be converted into a private club. A consulting firm is currently conducting a study on whether or not the lodge and golf club should be marketed as a private club. Regardless of the outcome of the study, the facilities will open in June 2002.

Washington County

- The Weiser Municipal Airport Advisory Committee has applied for a \$705,214 grant from the Federal Aviation Administration (FAA) to pay for upgrades to the airport that would allow increased traffic, improved inclement weather use, and possible extended hours. If the grant is approved, the money will be used to put a seal coat on the asphalt runway, repave the airplane parking areas and ramps, and repair the fence surrounding the airport.

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MAGIC VALLEY

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA, & TWIN FALLS COUNTIES

LABOR FORCE & EMPLOYMENT

The seasonally adjusted unemployment rate for July 2001 for the Magic Valley Labor Market Area was 4.2 percent, as shown in Magic Valley Table 1. This was three-tenths of a percentage point higher than June 2001, but three-tenths of a percentage point lower than July 2000. *Civilian Labor Force* was slightly lower in July 2001 than in July 2000, but the amount was negligible.

Overall, *Nonfarm Payroll Jobs* are down 1.6 percent year-over-year reflecting a slowing economic growth in the Magic Valley. Most employment sectors show decreases. The largest decrease occurred in *Services* with a 7.0 percent decrease year-over-year. This decrease is all the more interesting because the *Services* sector was the fastest growing in terms of job growth over the last three years. *Manufacturing* also decreased significantly, especially in *Manufacturing-Durable Goods*, which decreased by 4.6 percent. Even the normally strong *Food Processing* sector suffered a small decrease over the past year. The only sectors to experience a positive growth were *Mining & Construction*, *Wholesale Trade* and *Government-Education* with increases of 0.4 percent, 3.1 percent, and 13.9 percent respectively. However, the increase in *Government-Education* is almost wholly attributable to counting adjustments made over the past year.

In summary, a pattern of economic cooling is developing in the Magic Valley, and this follows statewide and nationwide trends. The severe drought situation is having an effect on both agriculture and tourism. Consumer confidence remains fairly strong in the area, but the larger decreases in the *Services* sector would seem to indicate that consumers are being more cautious about spending discretionary income, and such sectors as *Eating and Drinking Places*, *Hotel & Other Lodging Places*, and

Magic Valley Table 1: Labor Force & Employment
Twin Falls, Jerome, and Gooding counties

	July 2001*	June 2001	July 2000	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	47,090	47,140	47,200	-0.1	-0.2
Unemployment	1,990	1,840	2,130	8.2	-6.6
% of Labor Force Unemployed	4.2	3.9	4.5		
Total Employment	45,100	45,300	45,090	-0.4	0.0
Unadjusted					
Civilian Labor Force	48,310	47,920	48,420	0.8	-0.2
Unemployment	1,910	1,720	2,000	11.0	-4.5
% of Labor Force Unemployed	4.0	3.6	4.1		
Total Employment	46,400	46,200	46,420	0.4	0.0
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	37,040	37,270	37,650	-0.6	-1.6
Goods-Producing Industries	7,550	7,170	7,650	5.3	-1.3
Mining & Construction	2,250	2,220	2,240	1.4	0.4
Manufacturing	5,300	4,950	5,410	7.1	-2.0
Durable Goods	830	800	870	3.8	-4.6
Nondurable Goods	4,470	4,150	4,540	7.7	-1.5
Food Processing	3,370	3,050	3,470	10.5	-2.9
All Other Nondurable Goods	1,100	1,100	1,070	0.0	2.8
Service-Producing Industries	29,600	30,100	30,000	-1.7	-1.3
Transportation, Comm., & Utilities	2,540	2,560	2,680	-0.8	-5.2
Wholesale Trade	2,340	2,370	2,270	-1.3	3.1
Retail Trade	8,090	8,170	8,230	-1.0	-1.7
Finance, Insurance, & Real Estate	1,260	1,260	1,310	0.0	-3.8
Services	8,000	7,930	8,600	0.9	-7.0
Government Administration	3,820	3,860	3,890	-1.0	-1.8
Government Education	3,440	3,950	3,020	-12.9	13.9

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

Amusement & Recreation Services seem to be suffering as a result. This is indicative of a slowing economy where consumers are still able to take care of basic needs, but are foregoing such activities as eating out and taking vacation trips. Despite the fact that the Magic Valley has avoided major layoffs, such announcements as Albertson's closing a Twin Falls store and idling 70 workers show that the Magic Valley is not immune to economic influences from the overall nationwide economic slowdown. Whether the slight increase in the unemployment rates in Magic Valley is a harbinger of future increases remains to be seen. However, the almost uniform slowing of job growth in all employment sectors does indicate that the local economy is reacting to state and nationwide trends.

AREA DEVELOPMENTS

Twin Falls County

- Albertson's announced that it would close its North Twin Falls store by September 10, 2001. This announcement affects approximately 70 workers. The store, located at the intersection of Pole Line Road and Blue Lakes Boulevard, is Twin Falls' newest Albertson's store. Albertson's cited the difficulty of access and lack of sales and earnings as the reasons the store would be closed. The store, which opened in 1998, also has an in-store branch of U.S. Bank located inside. The older Albertson's store located on Addison Avenue will be unaffected by the closure.
- Ken Becker, plant manager for the Solo Cup Company, has been named chairman of the Twin Falls Chamber of Commerce's Business Plus II program. The Business Plus II program provides financial support for economic development efforts in the area and is a major financial backer for the new Southern Idaho Economic Development Organization (SIEDO).
- Two national retailers announced intentions to open new stores in Twin Falls in spring 2002. Both retailers will locate facilities in the new Canyon Park East development on Blue Lakes Boulevard North. The first retailer, T.J. Maxx, sells brand name and designer fashions at discount prices. The new store will be a 27,000-square-foot facility and will employ 60 to 80 people. The second retailer, Famous Footwear, sells brand name shoes at discount prices. The Twin Falls store will be an 8,000-square-foot facility. Employment figures were not given. Both stores expect to open either in the first or second quarter of 2002.

Jerome, Gooding, Lincoln, Blaine, and Camas Counties

- Idaho Governor Dirk Kempthorne attended the grand opening and ribbon-cutting ceremonies for the new Tele-Servicing Innovations, Inc. (TSI) call center in Jerome. Also in attendance were TSI President Jeff Neiswanger, Idaho Lt. Governor Jack Riggs, Idaho Department of Labor Director Roger Madsen, Idaho Department of Commerce Director Gary Mahn, and State Representative Maxine Bell along with many business and civic leaders. Governor Kempthorne praised Jerome's economic development efforts and said that Jerome is a leader in rural development. He also announced approval of a \$500,000 Rural Community Development Grant for infrastructure improvements for the creation of a business park and high tech campus located near the Jerome Butte. TSI opened for business in July and has created nearly 100 new jobs.

- The City of Gooding has been awarded a Community Development Block Grant for \$363,000 for water, sewer, and street improvements necessary for the construction of the Walker Center's proposed expansion of its drug and alcohol rehabilitation facility. The proposed expansion would be a one-story, 43,000-square-foot building with 32 adult beds and 16 adolescent beds. The expansion will help create 44 new jobs in Gooding.

Cassia and Minidoka Counties

- A new Auto Zone parts store is scheduled to open in Burley near the end of September. The new store will be located at 811 East Main Street and will offer a full line of auto accessories. Auto Zone is based in Memphis, Tennessee, and has about 3,000 stores across the U.S. and Mexico.
- A new convenience store, Jr.'s C will be opening in Burley in August. The new store, located at 301 East 16th Street, will offer hot fried food, pizza, and sub sandwiches cooked to order as well as a wide range of convenience items and gasoline. A grand opening was scheduled for late August or early September.
- The Mini-Cassia Development Commission has voted to reorganize its board structure to give it a more business-oriented outlook. Public officials will be replaced by private-sector business people in an effort to find better support and funding from private enterprises. The proposed new board will consist of Harry Badger, representing Minidoka County; Brent Lee, representing Cassia County; Mike Atchley, representing Burley; Jerry Grace, representing Rupert, and Rich Reynolds, representing Heyburn. The public officials that are being replaced on the board will remain as advisers and will meet on a biannual basis to keep current on commission business. Mechelle McFarland's position as economic development specialist will be unaffected by the change. She will report to the new board.

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SOUTHEAST IDAHO

BANNOCK, BEAR LAKE, BINGHAM, CARIBOU, FRANKLIN, ONEIDA, & POWER COUNTIES

LABOR FORCE AND EMPLOYMENT

Recent layoffs and the closure of area schools bumped the Pocatello Metropolitan Statistical Area's unadjusted unemployment rate up six-tenths of a percentage point from June's revised rate of 4.4 percent to July's preliminary rate of 5.1 percent. The rate edged up two-tenths of a percentage point year-over-year from the July 2000 rate of 4.9 percent.

Nonfarm Payroll Jobs declined by 770 in July. Most job reductions were in *Local Government Education* (660) because schools closed for summer. The remaining job reductions, which occurred in *Retail Trade* (140) and *Finance, Insurance, & Real Estate* (30), followed normal seasonal patterns as *Retail Trade* fell between the busy spring and school shopping seasons, and finance institutions experienced normal job fluctuations.

Year-over-year, *Nonfarm Payroll Jobs* declined by 260. Most job losses were in *Construction* (100), *Manufacturing* (270), and *Government Education* (160) because of fewer major construction projects throughout the area, job reductions at American Microsystems and Astaris and lower enrollment numbers at local schools.

SPECIAL TOPIC:

Business Roundtable

The Pocatello Job Service has implemented quarterly Business Roundtables, designed to educate area business professionals on a variety of employment-related topics. These events also provide an opportunity for roundtable discussion of employment-related issues between Job Service professionals and area businesses. In August, the topic was "Lowering Business Costs through Good Hiring and Retaining Practices" and covered the following subjects: Costs Incurred from Losing Productive Workers; Knowing the Labor Market in Which Your Business is Competing; Main Reasons Workers Leave or Stay with an Employer; Local Job Seeker Survey; and Hiring and Retention Best Practices.

Costs Incurred from Losing Productive Workers

- Costs include productivity costs, separation process costs, customer/quality costs, and recruitment, hiring, and training costs.

Southeast Idaho Table 1: Labor Force & Employment
Pocatello City MSA (Bannock County)

	July 2001*	June 2001	July 2000	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	40,420	40,320	39,730	100	0.2%
Unemployment	2,050	1,770	1,960	280	15.8%
% of Labor Force Unemployed	5.1	4.4	4.9		
Total Employment	38,370	38,547	37,770	-177	-0.5%
Unadjusted					
Civilian Labor Force	39,120	39,480	38,430	-360	-0.9%
Unemployment	1,920	1,690	1,780	230	13.6%
% of Labor Force Unemployed	4.9	4.3	4.6		
Total Employment	37,200	37,790	36,650	-590	-1.6%
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	31,500	32,270	31,760	-770	-2.4%
Goods-Producing Industries	4,320	4,290	4,690	30	0.7%
Mining & Construction	1,660	1,640	1,760	20	1.2%
Manufacturing	2,660	2,650	2,930	10	0.4%
Service-Producing Industries	27,180	27,980	27,080	-800	-2.9%
Transportation, Comm., & Utilities	1,820	1,810	1,890	10	0.6%
Wholesale Trade	1,450	1,440	1,390	10	0.7%
Retail Trade	6,920	7,060	6,840	-140	-2.0%
Finance, Insurance, & Real Estate	1,490	1,520	1,450	-30	-2.0%
Services	8,150	8,150	8,090	0	0.0%
Government Administration	3,580	3,570	3,490	10	0.3%
Government Education	3,770	4,430	3,930	-660	-14.9%

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

- The U.S. Department of Labor estimates the cost of replacing an employee at 1/3 of a new hire's salary. In the Southeast Idaho Labor Market, that would equate to:
 - Manager/Top Executive \$9,780 - \$18,644
 - Office Clerks/Receptionists \$5,236 - \$9,249
 - Telemarketers \$3,941 - \$10,791
 - Food Process Workers \$4,785 - \$8,733
 - Overall Average \$7,772

Knowing the Labor Market in Which Your Business is Competing

- The Southeast Idaho area has a young population when compared to the state and U.S. population. The local population is more diverse in ethnicity and religion than most of Idaho but much less diverse than the U.S.
- Per Capita Income is lower than the Idaho and U.S. Average. Cost of living is 90 percent of the national average and wages are 69 percent of the national average.
- Educational attainment of the labor force is fairly high.
- The labor force has grown 25.9 percent, employment has grown 28.6 percent, and the unemployment rate has dropped from 6.5 percent to 4.3 percent over the last 10 years.
- Many people not participating in the labor force would like to work, under-

employment is high, and there is a high percentage of multiple-job-holders. Currently, there is a fairly low demand for workers.

- Area employers rate skills, productivity, and work ethic of workers high. Turnover and absenteeism is low to moderate.
- Cost of labor is low for most occupations when compared to other areas. Average annual earnings are below state and national average.

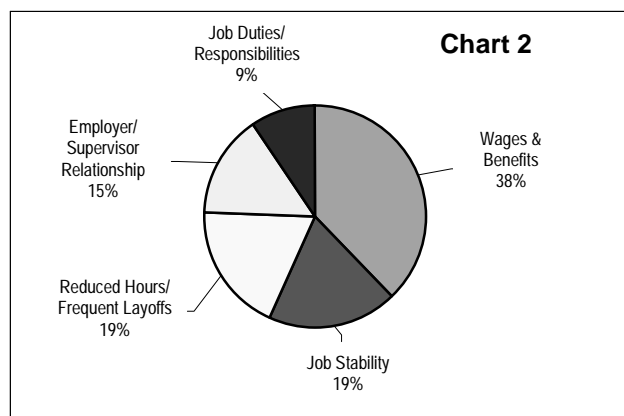
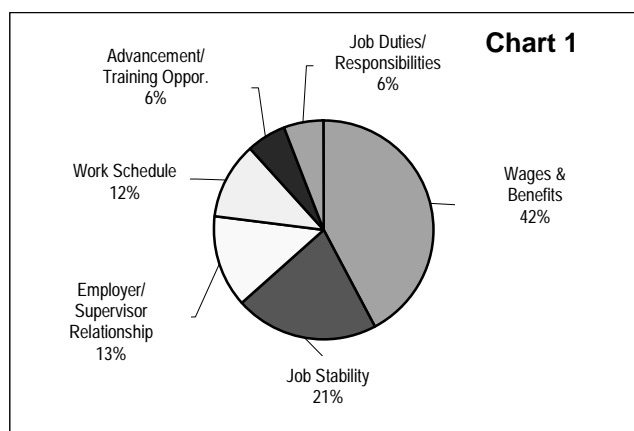
Reasons Workers Leave or Stay with an Employer

Reasons vary depending upon many factors, such as:

- Older workers (55 +) – pay raises and retirement plans.
- Baby Boomers (37-55) – family-friendly policies, flexible benefits packages.
- Gen X-ers (19-37) – career development, money, ability to enjoy free time.

Local Job-Seeker Survey (employed and unemployed job seekers)

- Chart 1 shows the top five reasons workers keep a job or stay with an employer
- Chart 2 shows the top five reasons workers leave a job or an employer



Hiring – Best Practices

- Develop long-term approach to hiring
- Be creative – use non-traditional sources, such as employee referrals or re-recruit former good employees. Recruit continuously.
- SCREEN – SCREEN – SCREEN
- Use team interviews to determine organizational fit, to

obtain staff buy-in, and to ensure new hire's success.

Retention – Best Practices

- Start new hire out right (create long-term, productive employees)
- Plan a good orientation program – introduce new hire to leaders, train and coach new employee, ensure he or she fits in.
- Implement leadership accountability – leaders must hire right and keep employees happy.

Train managers/leaders in employee selection and retention.

- Leaders must be highly visible and accessible.
- Tie retention to manager's performance.
- Provide fair compensation
 - » Wages, benefits, bonuses.
 - » Recognition and involvement.
 - » Awards and Thank You's.
 - » Involve employee in decision-making, company goals, etc.
 - » Build fun and camaraderie.

Bottom Line

- Determine what works in your business, with your workers, in your labor market.
- Design a hiring and retention program that works for your business based on:
 - » Workers' motivations.
 - » Local labor market conditions.
 - » Business needs.
- Be prepared to make adjustments if any of the above conditions change.

For more information about this, or future Business Roundtables, contact the Pocatello Job Service office at 235-5420 or e-mail unemploy27@labor.state.id.us

AREA ECONOMIC DEVELOPMENTS

- Construction began on a \$2.8 million L.D.S. Church Stake Center. The 26,500 square-foot center is being built on Bartz Way near the Idaho State University Campus in Pocatello.
- Two new restaurants opened in Bannock County: The Super China Buffet on Yellowstone in Pocatello, and the China Buffet on Burnside Avenue in Chubbuck.
- Carla and Arv Aho opened Aho's Espresso Deli at 835 Washington in Montpelier. The business offers specialty coffees and sodas, and deli sandwiches.
- Spudnik Equipment Company of Blackfoot has entered into a joint venture with Germany based Grimme Agricultural Equipment Company. The joint venture, which becomes effective in 2002, should help increase Spudnik's global market and sales.

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NORTHEAST IDAHO

BONNEVILLE, BUTTE, CLARK, CUSTER, FREMONT, JEFFERSON, LEMHI, MADISON, & TETON COUNTIES

LABOR FORCE AND EMPLOYMENT

The seasonally adjusted unemployment rate of 3.5 percent rose three-tenths of a percentage point from June to July, 2001, for the Bonneville Labor Market Area (LMA) consisting of Bingham, Bonneville, Butte and Jefferson counties. The increase was mainly seen in Butte, Jefferson, and Bingham counties. Although the actual increase in numbers of unemployed in Butte and Jefferson was small (increases of 19 and 11 people respectively), the percentage increase looked more dramatic at 1.1 percentage points and five-tenths of a percentage point, respectively. Butte experienced the change as workers took early retirements from the Idaho National Engineering and Environmental Laboratory (INEEL), and some of those people are still in the labor force or looking for work.

Bingham (up four-tenths of a percentage point or 105 unemployed persons) and Jefferson counties were hit more by the time of year as many potato warehouses and packaging plants laid off employees for annual maintenance. Bonneville County's unemployment rate increased, but only by one-tenth of a percentage point (64 more people unemployed). Three of the four counties experienced a decrease in the unemployment rate from July 2000, with the exception of Butte County, which increased 1.5 percentage points (or 27 more people unemployed). Overall, the LMA is three-tenths of a percentage point lower than July of last year.

Bonneville County held the lowest unemployment rate in the Bonneville LMA at 3.0 percent in July, followed by Jefferson, Bingham, and Butte counties at 3.8, 4.2, and 4.7 percent, respectively. Idaho Falls, the largest city in the LMA, increased one-tenth of a percentage point over the month to 3.2 percent and decreased three-tenths of a percentage point year-over-year.

Northeast Idaho Table 1: Labor Force & Employment
Bonneville, Bingham, Butte, & Jefferson counties

	July 2001*	June 2001	July 2000	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	83,890	83,590	80,240	0.4	4.5
Unemployment	2,930	2,700	3,050	8.5	-3.9
% of Labor Force Unemployed	3.5	3.2	3.8		
Total Employment	80,960	80,900	77,200	0.1	4.9
Unadjusted					
Civilian Labor Force	84,650	84,830	80,980	-0.2	4.5
Unemployment	2,580	2,380	2,640	8.4	-2.3
% of Labor Force Unemployed	3.0	2.8	3.3		
Total Employment	82,070	82,450	78,340	-0.5	4.8
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	64,640	65,360	62,810	-1.1	2.9
Goods-Producing Industries	10,360	10,190	9,600	1.7	7.9
Mining & Construction	5,060	4,940	4,300	2.4	17.7
Manufacturing	5,300	5,250	5,300	1.0	0.0
Food Processing	2,680	2,680	2,780	0.0	-3.6
Ind. & Com. Mach. & Computer Equip.	470	460	570	2.2	-17.5
All Other Manufacturing	2,150	2,110	1,950	1.9	10.3
Service-Producing Industries	54,280	55,170	53,210	-1.6	2.0
Transportation, Comm., & Utilities	2,370	2,340	2,360	1.3	0.4
Wholesale Trade	6,250	6,280	6,310	-0.5	-1.0
Retail Trade	11,400	11,500	11,500	-0.9	-0.9
Finance, Insurance, & Real Estate	1,920	1,950	1,900	-1.5	1.1
Services	21,680	21,760	21,370	-0.4	1.5
Government Administration	6,010	6,010	5,480	0.0	9.7
Government Education	4,650	5,330	4,290	-12.8	8.4
*Preliminary Estimate					
**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month					

The seasonally adjusted *Civilian Labor Force* showed an increase of 300 people month-over-month with the economy holding steady. Call center and fast food/restaurant workers are in demand in the LMA, along with truck drivers (all classes) and construction workers/specialists. The yearly growth in the *Civilian Labor Force* is 3,650 people.

Nonfarm Payroll Jobs (jobs by place of work) decreased by 720 over the month, for a total of 64,640 jobs in the LMA. *Goods-Producing Industries* increased by 170 jobs month-over-month, with *Construction* adding 120 of those jobs. *Manufacturing* experienced an increase of 50, mostly in *Nondurable Goods* other than food. *Service-Producing Industries* decreased month-over-month (890 jobs) for the only time this year with the exception of January. Of those jobs, 680 were in *Government Education*, as would be expected this time of year with public schools experiencing a break in teaching. *Services* also experienced a decrease of 80 jobs, with decreases of 420 in *Engineering & Management* (INEEL early retirements) and 50 in *Social Services* being somewhat offset by increases mostly relevant in *Ag Services* (90 jobs), *Business Services* (80 jobs), and *Nonprofit Organizations* (100 jobs). *Retail*

Trade experienced a decrease of 100 jobs, most coming from *Garden Supplies* and *Eating & Drinking Establishments*.

A year-over-year comparison shows that *Nonfarm Payroll Jobs* increased by 1,830 jobs. *Goods-Producing Industries* increased by 760 jobs with *Construction* and *All Other Manufacturing* being the only contributors. *Service-Producing Industries* showed an overall increase of 1,070 jobs, with *Services*, *Government Education* and *Government Administration* each showing increases greater than 300 jobs.

AREA DEVELOPMENTS

Bonneville County

- Wal-Mart announced its plans to build a super center in Ammon, just east of Idaho Falls. The store will be moving from its current 100,000-square-foot building at 925 E. 17th Street into a 200,000-square-foot building on the corner of Hitt and 17th Street, two miles to the east. Wal-Mart did not have space to sufficiently expand and accommodate parking in the existing location in Idaho Falls. The change is expected to take place within the next two years.
- Idaho Fall's Town and Country Gardens is expanding to Pocatello with its second store. The new store will be located in the space that was most recently known as Pocatello Greenhouse. The change occurs in conjunction with the retirement of Dick Chase from the Pocatello store after 44 years. Town and Country Gardens has been in existence for 37 years

and caters to "do-it-yourselfers." The nursery offers employee expertise on gardening and landscaping along with a large supply of greenery.

- A Kansas company has begun the construction of a \$20 million hospital in Idaho Falls named Mountain View. ASC Group is building this 17-bed hospital at 2325 Coronado Street and plans to have it open in the fall of 2002. ASC Group has been in operation for six years and has 18 surgical hospitals nationwide. Another 19 are in development, including the Idaho Falls location. The hospital will not have a full-fledged emergency room since that is covered by the larger hospital (EIRMC) across the street. The \$122,000-square-foot facility will consist of two floors. Emphasis will be on orthopedic surgery, obstetrics, and women's health. The hospital already has 20 doctors involved as partners and expects to add 10 to 15 additional doctors in the future.

Lemhi County

- Salmon just experienced its ninth-annual Great Salmon Valley Balloonfest and Sacajawea Heritage Days. Watch for the write-up of festivities and activities to be featured in the Special Topic in October's newsletter.

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UNEMPLOYMENT RATE DEMYSTIFIED

Between 1992 and 1997 Idaho's unemployment rate was lower than the nation's. The graph on the following page shows Idaho's and the nation's seasonally adjusted unemployment rate from 1992 through July 2001. As Idaho's economy became more dependent on the national economy and the natural resource based industries fell upon hard times, Idaho's unemployment rate began to exceed the national rate. The first Friday of the month always brings a great deal of interest from the public, especially the media, when the unemployment rate for Idaho and the nation is released. The unemployment rate is used as a key indicator of Idaho's economic well being. With the announcement of layoffs and, at times, a declining unemployment rate, everyone wants to know WHY?

Recently I read an article written by Sam McClary, Assistant Director of Labor Market Information in South Carolina, that explained the mysteries of the unemployment rate in basic, understandable language. I would like to thank South Carolina for allowing me to reprint this article as it relates to Idaho.

THE UNEMPLOYMENT RATE – BEHIND THE MYSTERY

(Reprinted with permission)

As far as public interest is concerned, the unemployment rate is probably the single most important figure released the Idaho Department of Labor's Public Affairs Bureau. The unemployment rate is used as a key indicator of our state's economic well being. It influences financial markets and, to some extent, interest rates. Business and community leaders use the unemployment rate to make decisions regarding site locations and plant expansions. Government officials use the unemployment rate as a basis for awarding government procurement contracts and to allocate millions of dollars in job training and economic development funds. Despite all the focus on the unemployment rate, it remains one of the most misunderstood and often misused numbers that exists. Just where does the unemployment rate come from, and what does it mean?

Common Misconceptions

Perhaps the most common misconception about the unemployment rate is that it just includes individuals filing unemployment insurance (UI) claims. Actually, UI claimants comprise only about 20 to 30 percent of the total unemployed. Another misconception is that the monthly unemployment rate represents unemployment

for the entire month. In reality, the jobless rate references the week of the month that includes the 12th. This is called the standard survey reference week. Unemployed individuals are also counted where they live, not where they work. This means that a layoff in a particular county can, because of commuting, impact the unemployment rate in a number of counties.

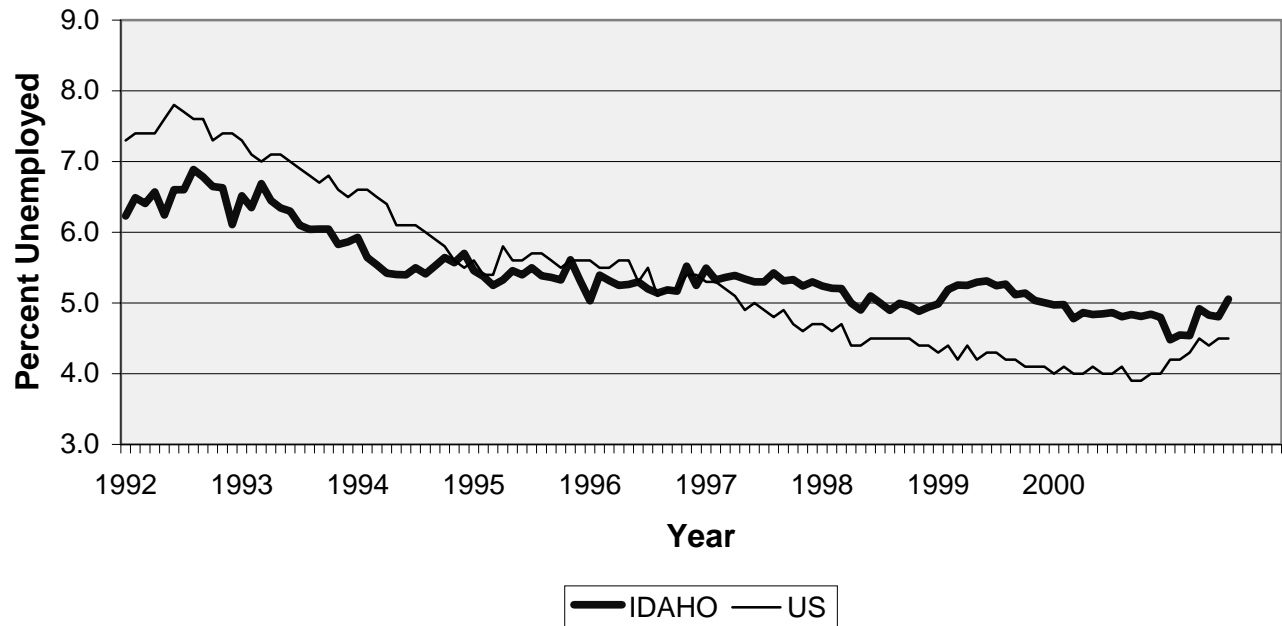
Who is Counted As Unemployed?

The definition of who is counted as employed and unemployed is determined by the U.S. Bureau of Labor Statistics (BLS). These definitions are based on objective, measurable criteria, and are used nationwide. This means that the criteria for defining an unemployed person in Idaho is the same as for an unemployed person in California or South Carolina or anywhere else in the nation. To be counted as **employed**, a person must be 16 years old or over and worked for pay or profit during the survey week. This includes part-time and temporary work as well as regular full-time, year-round employment. To be counted as **unemployed**, a person must be 16 years old or over and have no job at all during the survey week. However, that person must be able, available, and actively looking for work. The sum of the employed and unemployed comprise the labor force. The unemployment rate is the ratio of the total unemployed to the total labor force. The mathematical formula is: $\text{Employed} + \text{Unemployed} = \text{Labor Force}$ and $(\text{Unemployed} / \text{Labor Force}) \times 100 = \text{Unemployment Rate}$.

Where Do These Numbers Come From?

Each month, BLS designates the Census Bureau to conduct a survey of approximately 60,000 households across the nation called the Current Population Survey (CPS). The CPS, which includes households in each state, is conducted during the week after the standard survey reference week. During the survey, the census interviewer determines the employment status of all members of the household 16 years old and over for the previous week. They essentially ask, "What were you doing last week?" If an individual held a job, he or she will be classified as employed; if the individual had no job, but was able, available, and actively looking for one, he or she will be classified as unemployed. The CPS is designed to yield employment and unemployment statistics each month for the nation as a whole. Idaho. With a population of 1.3 million, has approximately 850 households represented in the CPS. Interestingly, South Carolina has 1,000 households represented in the CPS, with 4.0 million people. The diversity of the distribution

Seasonally Adjusted Unemployment Rate



of Idaho's population requires a larger sample. Even with a larger per household sample, this is not enough of a sample to generate statistically accurate data for the state. To remedy this, BLS has designed a statistical model for states to use. The model uses a viable-coefficient regression method, which uses the two BLS CPS numbers — employment and unemployment. The model supplements the results from the household survey with employment data from a monthly survey of businesses (the Current Employment Statistics program) and claims data from Idaho's unemployment insurance program. Other variables include agriculture employment, population, and seasonal factors.

How Accurate is the Unemployment Rate?

For any state, the actual unemployment rate could vary up to a percentage point either side of the published rate. It is an estimate and is by no means 100 percent accurate. The only way to arrive at a completely accurate rate would be to conduct a complete census each month. This would be too costly and too time consuming. The current methodology is the result of decades of research and improvements in modeling techniques. BLS is constantly researching ways to improve the accuracy of state and local unemployment statistics, and methodologies will continue to evolve and improve over time. The current methodology is the best that is available, and for years has proven to mirror known economic developments in the state. It also enables unemployment rates of all state to be comparable.

The unemployment rate is just one of many economic indicators. It should be used in concert with other

useful labor market statistics in decision making and in assessing economic trends. Because employment and unemployment statistics are estimates, they are subject to sampling variability in any given month, and temporary statistical aberrations occur. Consequently, it is best to view these data over time to determine underlying trends in the economy. A year-over-year comparison will reflect economic trends more readily than month-to-month changes.

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Glossary of Labor Market Terms

Agriculture Employment: Persons on agriculture payrolls who work or receive pay for any period during the survey week. This includes owners, operators, unpaid family members who work at least 15 hours a week, and hired laborers.

Average Hourly Earnings/Average Weekly Hours: The average total money earnings earned by production or non-supervisory workers for selected industries. The average number of hours worked by production or non-supervisory workers including overtime, paid vacation, and sick leave. The data is collected for the week including the 12th of the month.

Average Weekly Earnings: Average Hourly Earnings multiplied by Average Weekly Hours.

Civilian Labor Force: A count of non-institutional persons 16 years of age and over residing within a specific geographic area, excluding members of armed forces, who are classified as employed, unemployed and seeking employment, or involved in a labor dispute.

Consumer Price Index (CPI): A national index measuring changes over time in the price of a fixed market basket of goods and services. There are two indexes—the All Urban Consumers (CPI-U) represents the buying habits of about 80 percent of the non-institutional population of the United States, and the Urban Wage & Clerical Workers (CPI-W) represents 40 percent of the population.

Covered Employers: Employers who are subject to state and federal Unemployment Insurance laws.

Durable Goods: Also known as “hard goods” because they include items manufactured or provided by wholesalers with a normal life expectancy of three years or more.

Employed: Individuals, 16 years of age or older, who worked at least 1 hour for pay or profit or worked at least 15 unpaid hours in a family business during the week including the 12th day of the month. Individuals are also counted as employed if they had a job but did not work because they were: ill, on vacation, in a labor dispute, prevented from working because of bad weather, or temporarily absent for similar reasons.

Initial Claim: Any notice of unemployment filed to request (1) a determination of entitlement to and eligibility for compensation or (2) a second or subsequent period of unemployment within a benefit year or period of eligibility.

Labor Market Area (LMA): An area that consists of a central city or cities and the surrounding territory within commuting distance. It is an economically integrated geographic area within which individuals can reside and find employment without changing place of residence. Idaho has nine LMAs.

Metropolitan Statistical Area (MSA): An area that has either a city with a population of at least 50,000 or a Bureau of Census urbanized area of at least 50,000 and a total metropolitan area of at least 100,000. The Office of Management and Budget designates the MSAs. There are two MSAs in Idaho—Boise City (including Ada and Canyon counties) and Pocatello City (including Bannock County).

Nonfarm Wage & Salary Employment: Persons on nonfarm establishment payrolls (including employees on paid sick leave, paid holiday, or paid vacation) who work or receive pay for any part of the week including the 12th of the month. It is a count of jobs by place of work. It does not include self-employed, unpaid volunteer or family workers, domestic workers in households, military personnel and persons who are laid off, on leave without pay, or on strike for the entire reference period.

Nondurable Goods: Also known as “soft goods” because they include items manufactured or provided by wholesalers that generally last for only a short period of time (three years or less).

Seasonally Adjusted: Data is seasonally adjusted to remove the impact of regular events that occur at the same time every year such as the effect of cold weather on outdoor activities, the Christmas holiday, or the summer influx of youth into the labor market.

Unemployed: Those individuals, 16 years of age or older, who do not have a job but are available for work and actively seeking work during the week including the 12th of the month. The only exceptions to these criteria are individuals who are waiting to be recalled from a layoff and individuals waiting to report to a new job within 30 days—these, too, are considered unemployed.

Unemployment Insurance: Unemployment Insurance is a program for the accumulation of funds paid by employers, to be used for the payment of Unemployment Insurance to workers during periods of unemployment which are beyond their control.

Unemployment Rate: The number of persons unemployed expressed as a percentage of the labor force.

Weekly Benefit Amount: The amount payable to a claimant for a compensable week of total unemployment.

Weeks Claimed: The number of weeks that unemployed workers claimed Unemployment Insurance benefits.

Weeks Compensated: The number of weeks for which compensation was actually paid.

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